

Message Text

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PAGE 01 RIO DE 01989 311855Z

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ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 EB-05 DRC-01 RSC-01 /018 W

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R 311810Z MAY 74

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 753

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 1989

E.O. 11652: N/A

TAGS: EMIN, BFOL, BR

SUBJECT: INVESTMENT OPPORTUNITY, PRIVATE IRON STEEL WORKS -
ACOMINAS S.A.

REF: STATE 085737

DURING RECENT VISIT TO MINAS GERAIS, COMMERCIAL
COUNSELOR AND CONGEN RIO ECON/COM OFFICER MET WITH
PRESIDENT AND DIRECTORS OF MINAS GERAIS COMMERCIAL
ASSOCIATION WHO ARE PROMOTING PREPARATORY WORK FOR
ESTABLISHMENT OF ACOMINAS S.A. LATTER REPORTED THEY
HAD DELAYED RESPONDING TO CONGEN INQUIRY, WHICH HAD
BEEN PRESENTED UPON RECEIPT OF REFTEL, UNTIL THEY
COULD PROVIDE DEFINITE RESPONSE. CONGEN OFFICERS,
HOWEVER, PURSUED ISSUE AND DEVELOPED FOLLOWING
INFORMATION FOR PORTER INTERNATIONAL.

ACOMINAS PROJECT HAS NOT YET BEEN APPROVED BY CONSIDER.
PRESIDENT OF MINAS GERAIS COMMERCIAL ASSOCIATION
BROACHED ISSUE WITH MINISTER OF INDUSTRY AND COMMERCE
SEVERO GOMES LAST WEEK TO URGE PROMPT APPROVAL.
MINISTER PROMISED TO TAKE ACTION BY FIRST WEEK IN
JUNE. CONGEN WILL FORWARD REPORT ON DECISION ASAP.

BRAZILIAN GROUP (WHICH INCLUDES PRESENT STATE
SECRETARY OF FINANCE, FORMER STATE SECRETARY OF
PLANNING AND PRESIDENT OF COMMERCIAL ASSOCIATION)
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PROMOTING ACOMINAS HAS BEEN CONDUCTINGDISCUSSIONS WITH

SEVERAL EUROPEAN AND U.S. FIRMS. SINCE THESE DISCUSSIONS HAVE LARGELY BEEN EXPLORATORY INQUIRIES, THEY PROBABLY CANNOT BE DESCRIBED AS SERIOUS NEGOTIATIONS.

NEVERTHELESS, COMMERCIAL ASSOCIATION OFFICIALS BELIEVE THESE TALKS, AND PARTICULARLY GIVEN ROLE OF GOB IN THEM, PRECLUDE GRANTING EXCLUSIVE NEGOTIATING RIGHTS TO PORTER FOR 60 DAY PERIOD. THEY FIRMLY ASSERTED, HOWEVER, THAT ANY PROPOSAL SUBMITTED BY PORTER WOULD BE GIVEN THOROUGH CONSIDERATION AND EQUAL OPPORTUNITY TO COMPETE AGAINST OTHER FOREIGN COMPANY PROPOSALS. IN FACT, COMMERCIAL ASSOCIATION FEELS THAT PROJECT, WHICH IS CURRENTLY PROJECTED TO COST IN EXCESS OF ONE BILLION DOLLARS, WOULD BE TOO LARGE FOR A SINGLE FOREIGN COMPANY. THUS THEY ANTICIPATE THAT ACOMINAS MAY BE A CONSORTIUM OF TWO OR MORE FOREIGN MANUFACTURERS WITH BRAZILIAN INTERESTS. PORTER WOULD, OF COURSE, BE WELCOME TO PARTICIPATE IN SUCH AN ORGANIZATION.

CONGEN FORWARDING ITS PORTUGUESE COPY OF ACOMINAS FEASIBILITY STUDY. SUGGEST PORTER INITIATE DIRECT COMMUNICATIONS WITH COMMERCIAL ASSOCIATION FOR ADDITIONAL INFORMATION. COMMUNICATIONS CAN BE DIRECTED TO THE PRESIDENT OF THE MINAS GERAIS COMMERCIAL ASSOCIATION: DR. JOSE ROMUALDO CANCADO BAHIA
AV. AFONSO PENA, 372 - PHONE: 26-0733
30.000 BELO HORIZONTE - MG
BOONSTRA

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Message Attributes

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Capture Date: 01 JAN 1994
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